



Senate

General Assembly

File No. 271

February Session, 2014

Substitute Senate Bill No. 205

Senate, April 2, 2014

The Committee on General Law reported through SEN. DOYLE of the 9th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT MAKING MINOR AND TECHNICAL CHANGES TO REAL ESTATE APPRAISER AND APPRAISAL MANAGEMENT COMPANY DEFINITIONS AND STATUTES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 20-500 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2014*):

3 As used in sections 20-500 to 20-529e, inclusive, unless the context
4 otherwise requires:

5 (1) "Appraisal" means the practice of developing an opinion of the
6 value of real property, in conformance with the USPAP.

7 (2) "Appraisal Foundation" means the not-for-profit corporation
8 referred to in Section 1121 of Title XI of FIRREA.

9 (3) "Appraisal management company" means any person,
10 partnership, association, limited liability company or corporation that
11 performs appraisal management services. "Appraisal management

12 company" does not include:

13 (A) An appraiser that enters into a written or oral agreement with
14 another appraiser for the performance of an appraisal, which is signed
15 by both appraisers upon completion;

16 (B) An appraisal management company that (i) is wholly owned by
17 a financial institution subject to regulation by an agency or department
18 of the United States government or an agency of this state, and (ii) only
19 receives appraisal requests from an employee of such financial
20 institution. For the purposes of this subdivision, "financial institution"
21 means a bank, as defined in section 36a-2, an out-of-state bank, as
22 defined in section 36a-2, an institutional lender, any subsidiary or
23 affiliate of such bank, out-of-state bank or institutional lender, or other
24 lender licensed by the Department of Banking;

25 (C) A department or unit of a financial institution subject to
26 regulation by an agency or department of the United States
27 government or an agency of this state that only receives appraisal
28 requests from an employee of such financial institution; or

29 (D) Any local, state or federal agency or department thereof.

30 (4) "Appraisal management services" means any of the following:

31 (A) The administration of an appraiser panel;

32 (B) The recruitment of certified [or licensed] appraisers to be part of
33 an appraiser panel, including, but not limited to, the negotiation of fees
34 to be paid to, and services to be provided by, such appraisers for their
35 participation on such panel; or

36 (C) The receipt of an appraisal request or order and the delivery of
37 such request or order to an appraiser panel.

38 (5) "Appraiser panel" means a network of appraisers who are
39 certified [or licensed] in accordance with the requirements established
40 by the commission by regulation, who are independent contractors of

41 an appraisal management company and who have:

42 (A) Responded to an invitation, request or solicitation from an
43 appraisal management company to perform appraisals (i) requested or
44 ordered through such company, or (ii) directly for such company on a
45 periodic basis as assigned by the company; and

46 (B) Been selected and approved by such company.

47 (6) "Certified appraiser" means a person who has satisfied the
48 minimum requirements for a category of certification established by
49 the commission by regulation. Such minimum requirements shall be
50 consistent with guidelines established by the Appraisal Qualification
51 Board of the Appraisal Foundation. The categories of certification shall
52 include, but may be modified by the commission thereafter, one
53 category denoted as "certified residential appraiser" and another
54 denoted as "certified general appraiser".

55 [(7) "Limited appraiser" means a person who held a real estate
56 appraisal license as of January 1, 1991, and has satisfied the minimum
57 requirements for a license as a limited appraiser as established by the
58 commission by regulation. The categories of limited appraisal shall
59 include one category denoted as "limited residential appraiser" and
60 another denoted as "limited general appraiser".]

61 [(8)] (7) "Commission" means the Connecticut Real Estate Appraisal
62 Commission appointed under the provisions of section 20-502.

63 [(9)] (8) "Commissioner" means the Commissioner of Consumer
64 Protection.

65 [(10)] (9) "Compliance manager" means a person who holds an
66 appraiser [license or certificate] certification in at least one state and
67 who is responsible for overseeing the implementation of, and
68 compliance with, procedures for an appraisal management company
69 to:

70 (A) Verify that a person being added to the appraiser panel of the

71 company holds a license in good standing in accordance with section
72 20-509, as amended by this act;

73 (B) Maintain detailed records of each appraisal request or order the
74 company receives and of the appraiser who performs such appraisal;
75 and

76 (C) Review on a periodic basis the work of all appraisers performing
77 appraisals for the company to ensure that such appraisals are being
78 conducted in accordance with the USPAP.

79 [(11)] (10) "Controlling person" means a person who has not had an
80 appraiser license or a similar license or appraiser certificate denied,
81 refused to be renewed, suspended or revoked in any state and who:

82 (A) Is an owner, officer or director of a partnership, association,
83 limited liability company or corporation offering or seeking to offer
84 appraisal management services in this state;

85 (B) Is employed by an appraisal management company and has the
86 authority to enter into contracts or agreements for the performance of
87 appraisal management services or appraisals, or is appointed or
88 authorized by such company to enter into such contracts or
89 agreements; or

90 (C) May exercise authority over or direct the management or
91 policies of an appraisal management company.

92 [(12)] (11) "Engaging in the real estate appraisal business" means the
93 act or process of estimating the value of real estate for a fee or other
94 valuable consideration.

95 [(13)] (12) "FIRREA" means the Financial Institutions, Reform,
96 Recovery and Enforcement Act of 1989, P.L. 101-73, 103 Stat. 183.

97 [(14)] "Licensed appraiser" means a person who has satisfied the
98 minimum requirements for a category of licensing, other than licensed
99 limited appraiser, established by the commission by regulation. Such

100 minimum requirements may be consistent with guidelines established
101 by the Appraisal Qualification Board of the Appraisal Foundation. The
102 categories of licensing shall include, but may be modified by the
103 commission thereafter, one category denoted as "licensed residential
104 appraiser" and another denoted as "licensed general appraiser".]

105 [(15)] (13) "Person" means [any] an individual.

106 [(16)] (14) "Provisional appraiser" means a person engaged in the
107 business of estimating the value of real estate for a fee or other
108 valuable consideration under the supervision of a [licensed or]
109 certified real estate appraiser and who meets the minimum
110 requirements, if any, established by the commission by regulation for
111 provisional appraiser status.

112 (15) "Provisional license" means a license issued to a provisional
113 appraiser.

114 [(17)] (16) "Real estate appraiser" or "appraiser" means a person
115 engaged in the business of estimating the value of real estate for a fee
116 or other valuable consideration.

117 [(18)] (17) "USPAP" means the Uniform Standards of Professional
118 Appraisal Practice [as developed] issued by the Appraisal Standards
119 Board of the Appraisal Foundation pursuant to Title XI of FIRREA.

120 Sec. 2. Section 20-501 of the general statutes is repealed and the
121 following is substituted in lieu thereof (*Effective July 1, 2014*):

122 [(a)] No person shall act as a real estate appraiser or provisional
123 appraiser or engage in the real estate appraisal business without the
124 appropriate certification [, license, limited license] or provisional
125 license issued by the commission, unless exempted by the provisions
126 of sections 20-500 to 20-528, inclusive, as amended by this act.

127 [(b)] No person licensed as a limited appraiser shall perform an
128 appraisal in connection with a federally related transaction, as defined
129 in FIRREA. Notwithstanding any provision of this chapter: (1) Limited

130 appraiser licenses and renewals of such limited appraiser licenses
131 issued pursuant to this chapter shall expire no later than September 30,
132 2006; and (2) no limited appraiser licenses shall be issued or renewed
133 on or after October 1, 2006.

134 (c) Notwithstanding any provision of this chapter: (1) Licenses and
135 renewals for licensed appraisers issued pursuant to this chapter shall
136 expire no later than September 30, 2003; and (2) no such license shall be
137 issued or renewed on or after October 1, 2003.]

138 Sec. 3. Subsection (b) of section 20-503 of the general statutes is
139 repealed and the following is substituted in lieu thereof (*Effective July*
140 *1, 2014*):

141 (b) (1) The commission shall authorize the Department of Consumer
142 Protection to issue certification [, licenses, limited licenses] and
143 provisional licenses to real estate appraisers.

144 (2) The commission shall administer the provisions of sections 20-
145 500 to 20-528, inclusive, as amended by this act, as to certification,
146 [licensing, limited licensing,] provisional licensing and issuance,
147 renewal, suspension or revocation of certifications [, licenses, limited
148 licenses] and provisional licenses concerning the real estate appraisal
149 business.

150 Sec. 4. Section 20-504 of the general statutes is repealed and the
151 following is substituted in lieu thereof (*Effective July 1, 2014*):

152 The Commissioner of Consumer Protection, with advice and
153 assistance from the commission, may adopt such reasonable
154 regulations, in accordance with chapter 54, as the commissioner deems
155 necessary to carry out the provisions of sections 20-500 to 20-528,
156 inclusive, as amended by this act. Such regulations shall, at a
157 minimum, address [real estate] appraiser qualifications, continuing
158 education, discipline, [real estate] appraiser certification, provisional
159 licensing [, limited licensing] and [provisional licensing] applications
160 for and renewals of such certifications and licenses, and shall require

161 any [real estate] appraiser to comply with generally accepted
162 standards of professional appraisal practice as described in the
163 Uniform Standards of Professional Appraisal Practice issued by the
164 Appraisal Standards Board of the Appraisal Foundation pursuant to
165 Title XI of FIRREA. The regulations shall further require [(1)] any [real
166 estate] appraiser who wishes to enter in or upon any premises not the
167 subject of appraisal for purposes of estimating the value of comparable
168 real estate to [(A)] (1) obtain the permission of the owner or [occupier]
169 occupant of the premises, and [(B)] (2) identify himself or herself as an
170 appraiser, [, and (2) that a limited appraiser shall in any written
171 statement, including contracts, stationary and business cards, state that
172 such limited appraiser shall not perform an appraisal in connection
173 with a federally related transaction, as defined in FIRREA.]

174 Sec. 5. Section 20-507 of the general statutes is repealed and the
175 following is substituted in lieu thereof (*Effective July 1, 2014*):

176 A certified [, licensed, limited or] appraiser or licensed provisional
177 appraiser shall not be considered an employee under the provisions of
178 section 31-275 if substantially all of the remuneration for the services
179 performed by such appraiser, whether paid in cash or otherwise, is
180 directly related to sales or other output rather than to the number of
181 hours worked, and such services are performed by the appraiser
182 pursuant to a written contract that contains the following provisions:
183 (1) The appraiser, for purposes of workers' compensation, is engaged
184 as an independent contractor associated with the person for whom
185 services are performed; (2) the appraiser shall not receive any
186 remuneration related to the number of hours worked, and shall not be
187 treated as an employee with respect to such services for purposes of
188 workers' compensation; (3) the appraiser shall be permitted to work
189 any hours the appraiser chooses; (4) the appraiser shall be permitted to
190 work out of the appraiser's own home or the office of the person for
191 whom services are performed; (5) the appraiser shall be free to engage
192 in outside employment; (6) the person for whom the services are
193 performed may provide office facilities and supplies for the use of the
194 appraiser, but the appraiser shall otherwise pay the appraiser's own

195 expenses, including, but not limited to, automobile, travel and
196 entertainment expenses; and (7) the contract may be terminated by
197 either party at any time upon notice given to the other.

198 Sec. 6. Section 20-508 of the general statutes is repealed and the
199 following is substituted in lieu thereof (*Effective July 1, 2014*):

200 Any person possessing the qualifications prescribed in sections 20-
201 500 to 20-528, inclusive, as amended by this act, and in any regulations
202 adopted in [conformity] accordance with said sections, who desires to
203 engage in the real estate appraisal business shall make application to
204 the commission, in writing, as provided in section 20-509, as amended
205 by this act, for the specific appraiser certification [, license, limited
206 license] or provisional license desired.

207 Sec. 7. Section 20-509 of the general statutes is repealed and the
208 following is substituted in lieu thereof (*Effective July 1, 2014*):

209 (a) Certifications [, licenses, limited licenses] and provisional
210 licenses issued under the provisions of sections 20-500 to 20-528,
211 inclusive, as amended by this act, shall be granted only to persons who
212 bear a good reputation for honesty, truthfulness and fair dealing and
213 who are competent to transact the business of a real estate appraiser in
214 such manner as to safeguard the interests of the public.

215 (b) Each application for [a] an appraiser certification [, license,
216 limited license] or provisional license under said sections, or for a
217 renewal thereof, shall be made in writing, on such forms and in such
218 manner as is prescribed by the Department of Consumer Protection
219 and accompanied by such evidence in support of such application as is
220 prescribed by the commission. The commission may require such
221 information with regard to an applicant as the commission deems
222 desirable, with due regard to the paramount interests of the public, as
223 to the honesty, truthfulness, integrity and competency of the applicant.

224 (c) Fees for applications under this section shall be paid to the
225 commission as follows: Forty-five dollars for an appraiser certification

226 [; forty dollars for licensing; forty dollars for limited licensing] and
227 forty dollars for a provisional [licensing] license. The payment of an
228 application fee shall entitle an applicant who otherwise meets the
229 appropriate requirements established by the commission to take the
230 appropriate written examination, where applicable, [four times] within
231 the one-year period from the date of payment. In addition to the
232 application fee, applicants taking an examination administered by a
233 national testing service shall be required to pay directly to such testing
234 service an examination fee covering the cost of such examination.

235 Sec. 8. Section 20-510 of the general statutes is repealed and the
236 following is substituted in lieu thereof (*Effective July 1, 2014*):

237 In order to determine the competency of any applicant for a real
238 estate appraiser's certification or provisional license, the commission
239 shall, and, in the case of an applicant for a provisional license, may,
240 subject such applicant to personal written examination as to the
241 applicant's competency to act as a real estate appraiser. Such
242 examination shall be prepared by the Appraisal Qualification Board of
243 the Appraisal Foundation, the Department of Consumer Protection or
244 by a national testing service designated by the Commissioner of
245 Consumer Protection, shall be administered to applicants by the
246 Department of Consumer Protection or by such testing service at such
247 times and places as the commissioner may deem necessary and shall
248 be consistent with guidelines established by the Appraisal
249 Qualification Board of the Appraisal Foundation. The commission may
250 waive the written examination requirement in the case of an applicant
251 who, in the opinion of the commission, has taken an equivalent written
252 examination in another state and has received a score deemed
253 satisfactory by the commission.

254 Sec. 9. Section 20-511 of the general statutes is repealed and the
255 following is substituted in lieu thereof (*Effective July 1, 2014*):

256 (a) In order to obtain [a] an appraiser certification [, license, limited
257 license] or a provisional license, [persons who have] each person who
258 has met, to the satisfaction of the commission, the minimum

259 requirements established by the commission for such certification [,
260 license, limited license] or provisional license [,] shall pay to the
261 commission, in addition to the application fee described in subsection
262 (c) of section 20-509, as amended by this act, an initial fee of: Three
263 hundred seventy-five dollars [,] in the case of certified appraisers [;
264 two hundred eighty-five dollars, in the case of licensed appraisers and
265 limited licensed appraisers;] and one hundred dollars [,] in the case of
266 provisional [appraisers] licensees.

267 (b) All certifications [, licenses, limited licenses] and provisional
268 licenses issued under the provisions of sections 20-500 to 20-528,
269 inclusive, as amended by this act, shall expire annually and be subject
270 to renewal. The renewal fee for certifications [, licenses, limited
271 licenses] and provisional licenses, to be paid to the commission, shall
272 be: Two hundred eighty-five dollars in the case of certified appraisers
273 [; two hundred eighty-five dollars in the case of licensed and limited
274 licensed appraisers;] and one hundred dollars [,] in the case of
275 provisional [appraisers] licensees.

276 (c) In order for the commission to comply with federal law and
277 transmit a roster of real estate appraisers to the appropriate federal
278 regulatory entity, certified real estate appraisers shall pay to the
279 Commissioner of Consumer Protection, in addition to application and
280 recordation fees, an annual registry fee established by the
281 [commission] appraisal subcommittees of the Federal Financial
282 Institutions Examination Council.

283 (d) Any certification [, license, limited license] or provisional license
284 [which] that expires pursuant to this [subsection] section may be
285 reinstated by the commission, if, not later than two years after the date
286 of expiration, the former certification holder [, licensee, limited
287 licensee] or provisional licensee pays to the commission [for each
288 certification the sum of two hundred twenty-five dollars, for each
289 license or limited license the sum of two hundred twenty-five dollars
290 and for each provisional license the sum of fifty dollars] all past due
291 fees for each year or fraction thereof from the date of expiration of the

292 previous certification [, license, limited license] or provisional license
293 to the date of payment for reinstatement, except that any certified [,
294 licensed, limited licensed] or provisionally licensed appraiser whose
295 certification [, license, limited license] or provisional license expired
296 after entering military service shall be reinstated without payment of
297 any fee if an application for reinstatement is filed with the commission
298 within two years after the date of expiration. Any such reinstated
299 certification [, license, limited license] or provisional license shall
300 expire annually. Any such reinstated certification [, license, limited
301 license] or provisional license shall be subject to an annual renewal
302 thereafter.

303 (e) Any person whose application has been filed as provided in this
304 section and section 20-509, as amended by this act, who is refused a
305 certification [, license, limited license] or provisional license shall be
306 given notice and afforded an opportunity for hearing as provided in
307 the regulations adopted by the Commissioner of Consumer Protection.

308 Sec. 10. Section 20-512 of the 2014 supplement to the general statutes
309 is repealed and the following is substituted in lieu thereof (*Effective July*
310 *1, 2014*):

311 (a) The Commissioner of Consumer Protection, with the advice and
312 assistance of the commission, may adopt such reasonable regulations,
313 in accordance with chapter 54, as the commissioner may deem
314 necessary relating to the approval of schools offering courses in real
315 estate appraisal principles and practice and related subjects, the
316 content of such courses [or programs] and the advertising to the public
317 of the services of such schools. Such regulations may require approval
318 of instructors at such schools.

319 (b) Each such school shall obtain a registration as a real estate
320 appraisal school from the commission before offering approved
321 courses in real estate appraisal prerequisite education or continuing
322 education. Each application for such school registration shall be made
323 on forms prescribed by the Commissioner of Consumer Protection.

324 (c) Each real estate appraisal school registration shall expire
325 biennially and may be renewed. The application fee for such
326 registration shall be one hundred dollars. The initial registration fee
327 and renewal fee for such registration shall be two hundred dollars
328 each.

329 (d) Each course in appraisal prerequisite education or continuing
330 education shall require a separate application and be approved by the
331 commissioner. The application fee for each course in appraisal
332 prerequisite education or continuing education shall be one hundred
333 dollars.

334 Sec. 11. Section 20-513 of the general statutes is repealed and the
335 following is substituted in lieu thereof (*Effective July 1, 2014*):

336 Any person holding a certification [, license, limited license] or
337 provisional license under the provisions of sections 20-500 to 20-528,
338 inclusive, as amended by this act, shall be permitted to perform the
339 work covered by such certification [, license, limited license] or
340 provisional license in any municipality of this state without further
341 examination or the imposition of any additional requirements by such
342 municipality.

343 Sec. 12. Section 20-514 of the general statutes is repealed and the
344 following is substituted in lieu thereof (*Effective July 1, 2014*):

345 (a) No certification [, license, limited license] or provisional license,
346 as the case may be, shall be denied by the commission under the
347 provisions of sections 20-500 to 20-528, inclusive, as amended by this
348 act, to any applicant who has been convicted of forgery,
349 embezzlement, obtaining money under false pretenses, extortion,
350 criminal conspiracy to defraud, or other like offense or offenses, or to
351 any association or partnership of which such person is a member, or to
352 any corporation of which such person is an officer or in which as a
353 stockholder such person has or exercises a controlling interest either
354 directly or indirectly except in accordance with the provisions of
355 section 46a-80.

356 (b) No certification [, license, limited license] or provisional license,
357 as the case may be, shall be issued by the Department of Consumer
358 Protection under the provisions of sections 20-500 to 20-528, inclusive,
359 as amended by this act, to any applicant (1) whose application for a
360 certification [, license, limited license] or provisional license, as the case
361 may be, has, within one year prior to the date of the applicant's
362 application, been rejected in this state, in any other state or in the
363 District of Columbia or (2) whose certification [, license, limited
364 license] or provisional license, as the case may be, has, within one year
365 prior to the date of the applicant's application, been revoked in this
366 state, in any other state or in the District of Columbia.

367 (c) No certification [, license, limited license] or provisional license,
368 as the case may be, shall be issued under the provisions of sections 20-
369 500 to 20-528, inclusive, as amended by this act, to any person who has
370 not attained the age of eighteen years.

371 Sec. 13. Section 20-515 of the general statutes is repealed and the
372 following is substituted in lieu thereof (*Effective July 1, 2014*):

373 (a) A person who is certified or provisionally licensed in another
374 state as a real estate appraiser may become a certified or provisionally
375 licensed real estate appraiser in this state by conforming to all of the
376 provisions of sections 20-500 to 20-528, inclusive, as amended by this
377 act. The commission shall recognize a current, valid certification [,
378 license] or provisional license, as the case may be, issued to a currently
379 practicing, competent real estate appraiser by another state as
380 satisfactorily qualifying such appraiser for a certification [, license] or
381 provisional license, as the case may be, as a real estate appraiser under
382 said sections, provided: (1) The laws of the state in which such
383 appraiser is certified or provisionally licensed allow certifications [,
384 licenses] or provisional licenses, as the case may be, to be issued to a
385 resident of this state, without examination, who is certified [, licensed]
386 or provisionally licensed, as the case may be, under said sections 20-
387 500 to 20-528, inclusive, as amended by this act, and (2) the certification
388 [, licensing] and provisional licensing requirements of the state in

389 which such appraiser is licensed are substantially similar to or higher
390 than those of this state, including establishment of competency by
391 written examination in the case of [licensed and] certified appraisers,
392 and such appraiser has no disciplinary proceeding or unresolved
393 complaint pending against such appraiser. If the applicant is licensed
394 in a state that does not have such requirements, such applicant shall be
395 certified [, licensed] or provisionally licensed by a state in accordance
396 with Section 1116 of Title XI of FIRREA.

397 (b) Every applicant who is certified or provisionally licensed in
398 another state as a real estate appraiser shall file an irrevocable consent
399 that suits and actions may be commenced against such applicant in the
400 proper court in any judicial district of the state in which a cause of
401 action may arise or in which the plaintiff may reside, by the service of
402 any process or pleading, authorized by the laws of this state, on the
403 chairperson of the commission, such consent stipulating and agreeing
404 that such service of such process or pleading shall be taken and held in
405 all courts to be as valid and binding as if service had been made upon
406 such applicant in this state. If any process or pleadings mentioned in
407 this chapter are served upon the chairperson of the commission, it
408 shall be by duplicate copies, one of which shall be filed in the office of
409 the commission, and the other immediately forwarded by registered or
410 certified mail, to the applicant against whom such process or pleadings
411 are directed, at the last-known address of such applicant as shown by
412 the records of the commission. No default in any such proceedings or
413 action shall be taken unless it appears by affidavit of the chairperson of
414 the commission that a copy of the process or pleading was mailed to
415 the defendant as required in this subsection, and no judgment by
416 default shall be taken in any such action or proceeding within twenty
417 days after the date of mailing of such process or pleading to the out-of-
418 state defendant.

419 (c) The Commissioner of Consumer Protection, with the advice and
420 assistance of the commission, pursuant to Section 1122(a) of Title XI of
421 FIRREA, shall adopt regulations, in accordance with chapter 54, as the
422 commissioner deems necessary to effectuate certification [, licensing]

423 and provisional licensing of persons who are certified or provisionally
424 licensed in other states as appraisers. Such certification [, licensing]
425 and provisional licensing shall be recognized on a temporary basis in
426 this state. The fee for a temporary certification [, license] or provisional
427 license shall be one hundred dollars. The temporary certification [,
428 license] or provisional license shall be effective for one hundred eighty
429 days from issuance and may be extended for one additional period not
430 to exceed one hundred eighty days for no additional fee.

431 Sec. 14. Section 20-516 of the general statutes is repealed and the
432 following is substituted in lieu thereof (*Effective July 1, 2014*):

433 (a) The Department of Consumer Protection shall issue to each
434 certified [, licensed, limited licensed and provisional] and provisionally
435 licensed appraiser [,] a certificate or provisional license, as the case
436 may be, in such size and form as it determines, evidencing the real
437 estate appraiser's status.

438 (b) A fee of twenty-five dollars shall be paid to the commission for
439 the issuance of a proof of certification [, licensing, limited licensing] or
440 provisional licensing or a duplicate certification [, license, limited
441 license] or provisional license. [certificate.]

442 Sec. 15. Section 20-517 of the general statutes is repealed and the
443 following is substituted in lieu thereof (*Effective July 1, 2014*):

444 (a) There is hereby established an annual renewal certification [,
445 license, limited license] and provisional license to be issued by the
446 Department of Consumer Protection.

447 (b) The commission shall authorize the Department of Consumer
448 Protection to issue a renewal certification [, license, limited license] or
449 provisional license, as the case may be, to any applicant who possesses
450 the qualifications specified and otherwise has complied with the
451 provisions of sections 20-500 to 20-528, inclusive, as amended by this
452 act, and any regulation adopted in conformity with said sections.

453 (c) Persons certified [, licensed, limited licensed] or provisionally

454 licensed in accordance with the provisions of sections 20-500 to 20-528,
455 inclusive, as amended by this act, shall fulfill a continuing education
456 requirement. Applicants for an annual renewal certification [, license,
457 limited license] or provisional license shall, in addition to the other
458 requirements imposed by the provisions of said sections, biennially
459 within any even-numbered year submit proof of compliance with the
460 continuing education requirements of this subsection, if any, to the
461 commission, accompanied by a sixteen-dollar processing fee.

462 (d) The continuing education requirements for certified [, licensed,
463 limited licensed,] or provisionally licensed appraisers shall be satisfied
464 by successful completion of the required number of hours of classroom
465 study, during the two-year period preceding such renewal of
466 certification [, license, limited license] or provisional license as
467 provided by the commission or standards of the Appraiser
468 Qualification Board of the Appraisal Foundation, as the case may be.

469 (e) If the commission refuses to grant a renewal certification [,
470 license, limited license] or provisional license, the certificate holder [,
471 licensee, limited licensee] or provisional licensee, upon written notice
472 received as provided for in this chapter, may avail himself or herself of
473 any of the remedies provided by sections 20-511, as amended by this
474 act, and 20-520.

475 (f) The Commissioner of Consumer Protection, in consultation with
476 the commission, shall adopt regulations in accordance with the
477 provisions of chapter 54, concerning the approval of schools,
478 institutions or organizations offering courses in current real estate or
479 real estate appraisal practices and licensing laws and the content of
480 such courses. Such regulations may include, but not be limited to: (1)
481 Specifications for meeting equivalent continuing educational
482 experience or study; (2) exceptions from continuing education
483 requirements for reasons of health or instances of individual hardship.

484 Sec. 16. Section 20-518 of the general statutes is repealed and the
485 following is substituted in lieu thereof (*Effective July 1, 2014*):

486 The Department of Consumer Protection may, upon the request of
487 the commission or upon the verified complaint in writing of any
488 person, provided such complaint, or such complaint together with
489 evidence, documentary or otherwise, represented in connection with
490 such complaint, shall make out a prima facie case, investigate the
491 actions of any real estate appraiser or any person who assumes to act
492 in any of such capacities within this state. The commission shall have
493 the power temporarily to suspend or permanently to revoke any
494 certification [, license, limited license] or provisional license, as the case
495 may be, issued under the provisions of sections 20-500 to 20-528,
496 inclusive, as amended by this act, and in addition to, or in lieu of, such
497 suspension or revocation, may, in its discretion, impose a fine of not
498 more than one thousand dollars for the first offense at any time when,
499 after proceedings as provided in section 20-519, as amended by this
500 act, it finds that the certification holder [, licensee, limited licensee] or
501 provisional licensee has by false or fraudulent misrepresentation
502 obtained a certification [, license, limited license] or provisional license,
503 as the case may be, or that the certification holder [, licensee, limited
504 licensee] or provisional licensee is guilty of any of the following: (1)
505 Making any material misrepresentation; (2) making any false promise
506 of a character likely to influence, persuade or induce; (3) acting for
507 more than one party in a transaction without the knowledge of all
508 parties for whom he or she acts; (4) conviction in a court of competent
509 jurisdiction of this or any other state of forgery, embezzlement,
510 obtaining money under false pretenses, larceny, extortion, conspiracy
511 to defraud, or other like offense or offenses, provided suspension or
512 revocation under this subdivision shall be subject to the provisions of
513 section 46a-80; (5) any act or conduct [which] that constitutes
514 dishonest, fraudulent or improper dealings; or (6) a violation of any
515 provision of sections 20-500 to 20-528, inclusive, as amended by this
516 act, or any regulation adopted under said sections.

517 Sec. 17. Section 20-519 of the general statutes is repealed and the
518 following is substituted in lieu thereof (*Effective July 1, 2014*):

519 Before refusing, suspending or revoking any certification [, license,

520 limited license] or provisional license, or imposing any fine, the
521 commission shall give notice and afford an opportunity for hearing as
522 provided in the regulations adopted by the Commissioner of
523 Consumer Protection.

524 Sec. 18. Section 20-521 of the general statutes is repealed and the
525 following is substituted in lieu thereof (*Effective July 1, 2014*):

526 Any certification holder [, licensee, limited licensee] or provisional
527 licensee convicted of a violation of any of the offenses enumerated in
528 subdivision (4) of section 20-518, as amended by this act, shall incur a
529 forfeiture of his or her certification [, license, limited license] or
530 provisional license and all moneys that may have been paid for such
531 certification [, license, limited license] or provisional license. The clerk
532 of any court in which such conviction has been rendered shall forward
533 to the commission without charge a certified copy of such conviction.
534 The commission, upon the receipt of a copy of the judgment of
535 conviction, shall, not later than ten days after such receipt, notify the
536 certification holder [, licensee, limited licensee] or provisional licensee,
537 in writing, of the revocation of his or her certification [, license, limited
538 license] or provisional license, as the case may be, which notice shall be
539 conclusive of such revocation. Application for reinstatement of such
540 certification [, license, limited license] or provisional license shall be
541 subject to the provisions of section 46a-80.

542 Sec. 19. Section 20-522 of the general statutes is repealed and the
543 following is substituted in lieu thereof (*Effective July 1, 2014*):

544 Any person wilfully misrepresenting any fact required to be
545 disclosed in any application or in any other form, paper or document
546 required to be filed with the commission in connection with an
547 application for a certification [, license, tenured license] or provisional
548 license shall be fined not more than five hundred dollars or
549 imprisoned not more than six months, or both.

550 Sec. 20. Section 20-523 of the general statutes is repealed and the
551 following is substituted in lieu thereof (*Effective July 1, 2014*):

552 (a) Any person who engages in the real estate appraisal business
553 without obtaining a certification [, license, limited license] or
554 provisional license, as the case may be, as provided in sections 20-500
555 to 20-528, inclusive, as amended by this act, shall be fined not more
556 than one thousand dollars or imprisoned not more than six months or
557 both, and shall be ineligible to obtain a certification [, license, limited
558 license] or provisional license for one year from the date of conviction
559 of such offense, except the commission, in its discretion, may grant a
560 certification [, license, limited license] or provisional license, as the case
561 may be, to such person within such one-year period upon application
562 and after a hearing on such application.

563 (b) No person who is not certified [, licensed, limited licensed] or
564 provisionally licensed, as [appropriate] the case may be, by the
565 commission as a real estate appraiser shall represent himself or herself
566 as being so certified [, licensed, limited licensed] or provisionally
567 licensed or use in connection with such person's name or place of
568 business the term "real estate appraiser", "real estate appraisal",
569 "certified appraiser", "certified appraisal", "residential appraiser",
570 "residential appraisal", ["limited licensed appraiser,"] "provisional
571 appraiser" or "provisional appraisal" or any words, letters,
572 abbreviations or insignia indicating or implying that such person is a
573 certified [, licensed, limited licensed] or provisionally licensed, as
574 [appropriate] the case may be, real estate appraiser in this state. Any
575 person who violates the provisions of this subsection shall be fined not
576 more than one thousand dollars or imprisoned not more than six
577 months, or both.

578 Sec. 21. Section 20-524 of the general statutes is repealed and the
579 following is substituted in lieu thereof (*Effective July 1, 2014*):

580 The commission shall submit to the Governor, as provided in
581 section 4-60, a report of its official acts under the provisions of sections
582 20-500 to 20-528, inclusive, as amended by this act. The commission
583 shall keep a record of proceedings and orders pertaining to the matters
584 under its jurisdiction and of certifications, licenses, limited licenses or

585 provisional licenses granted, refused, suspended or revoked by it and
586 of all reports sent to its office. The commission shall furnish without
587 charge, for official use only, certified copies of certifications, licenses,
588 limited licenses, provisional licenses and documents relating thereto,
589 to officials of this state or any municipality in this state, to officials of
590 any other state and to any court in this state. Any certified copy of any
591 document or record of the commission, attested as a true copy by the
592 chairman of the commission, shall be competent evidence in any court
593 of this state of the facts contained in such document or record.

594 Sec. 22. Section 20-525 of the general statutes is repealed and the
595 following is substituted in lieu thereof (*Effective July 1, 2014*):

596 The Department of Consumer Protection, at the request of the
597 commission, may periodically compile and publish a bulletin
598 containing information and material relating to the commission, its
599 functions and certifications, [licenses, limited licenses,] provisional
600 licenses and other information and material relating to the real estate
601 appraisal industry [which] that might be of help and interest to
602 certificate holders [, licensees, limited licensees] or provisional
603 licensees in their service of the public. The commission may also
604 request the department to publish such information and material in
605 any established periodical published in the state if, in the opinion of
606 the commission, such form of publication would ensure the widest
607 dissemination of such information and material to certification holders
608 [, licensees, limited licensees] and provisional licensees and the public.

609 Sec. 23. Section 20-526 of the general statutes is repealed and the
610 following is substituted in lieu thereof (*Effective July 1, 2014*):

611 The provisions of sections 20-500 to 20-528, inclusive, as amended
612 by this act, concerning the certification [, licensing, limited licensing] or
613 provisional licensing of real estate appraisers shall not apply to (1) any
614 person under contract with a municipality who performs a revaluation
615 of real estate for assessment purposes pursuant to section 12-62, and
616 (2) any licensed real estate broker or real estate salesperson who
617 estimates the value of real estate as part of a market analysis

618 performed for the owner of the real estate or a designee of the owner,
619 on such terms as may be agreed upon between such owner or the
620 owner's designee and the real estate broker or real estate salesperson,
621 for the purpose of (A) a prospective listing or sale of such real estate,
622 (B) providing information to the seller or landlord under a listing
623 agreement, or (C) providing information to a prospective buyer or
624 tenant under a buyer or tenant agency agreement, provided such
625 estimate of value shall not be referred to or be construed as an
626 appraisal. If such owner executes a listing contract with the real estate
627 broker or real estate salesperson who so estimated the value of the real
628 estate for the sale of the real estate and such real estate contains any
629 building or other structure, occupied or intended to be occupied by no
630 more than four families, then such owner shall be credited against any
631 compensation the owner pays on account of such listing contract for
632 any fee paid by the owner for such estimate of value.

633 Sec. 24. Subsection (c) of section 20-529 of the general statutes is
634 repealed and the following is substituted in lieu thereof (*Effective July*
635 *1, 2014*):

636 (c) Before issuing or renewing a certificate of registration, the
637 commissioner may:

638 (1) Certify that each appraisal management company applying for a
639 certificate of registration has procedures in place to (A) verify that a
640 person being added to the appraiser panel of the company holds a
641 [license] certificate in good standing in accordance with section 20-509,
642 as amended by this act, (B) maintain detailed records of each appraisal
643 request or order it receives and of the appraiser who performs such
644 appraisal, and (C) review on a periodic basis the work of all appraisers
645 performing appraisals for the company, to ensure that such appraisals
646 are being conducted in accordance with the USPAP;

647 (2) Determine to the commissioner's satisfaction that each person
648 owning more than ten per cent of an appraisal management company
649 is of good moral character and such person has submitted to a
650 background investigation, as deemed necessary by the commissioner;

651 and

652 (3) Determine to the commissioner's satisfaction that the controlling
 653 person (A) has never had an appraiser license or certificate denied,
 654 refused to be renewed, suspended or revoked in any state, (B) is of
 655 good moral character, and (C) has submitted to a background
 656 investigation, as deemed necessary by the commissioner.

657 Sec. 25. Subsection (b) of section 20-529b of the 2014 supplement to
 658 the general statutes is repealed and the following is substituted in lieu
 659 thereof (*Effective July 1, 2014*):

660 (b) Any employee of an appraisal management company or any
 661 contractor working on behalf of such company who has any
 662 involvement in the performance of appraisals in this state or review
 663 and analysis of completed appraisals in this state shall be [licensed or]
 664 certified and in good standing pursuant to the provisions of sections
 665 20-500 to 20-528, inclusive, as amended by this act. This subsection
 666 shall not prohibit an individual who is not so [licensed or] certified
 667 from performing job functions that (1) are confined to an examination
 668 of an appraisal or an appraisal report for grammatical, typographical
 669 or clerical errors, and (2) do not involve the formulation of opinions or
 670 comments about (A) the appraiser's data collection, analyses, opinions,
 671 conclusions or valuation, or (B) compliance of such appraisal or
 672 appraisal report with the USPAP.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2014</i>	20-500
Sec. 2	<i>July 1, 2014</i>	20-501
Sec. 3	<i>July 1, 2014</i>	20-503(b)
Sec. 4	<i>July 1, 2014</i>	20-504
Sec. 5	<i>July 1, 2014</i>	20-507
Sec. 6	<i>July 1, 2014</i>	20-508
Sec. 7	<i>July 1, 2014</i>	20-509
Sec. 8	<i>July 1, 2014</i>	20-510
Sec. 9	<i>July 1, 2014</i>	20-511

Sec. 10	<i>July 1, 2014</i>	20-512
Sec. 11	<i>July 1, 2014</i>	20-513
Sec. 12	<i>July 1, 2014</i>	20-514
Sec. 13	<i>July 1, 2014</i>	20-515
Sec. 14	<i>July 1, 2014</i>	20-516
Sec. 15	<i>July 1, 2014</i>	20-517
Sec. 16	<i>July 1, 2014</i>	20-518
Sec. 17	<i>July 1, 2014</i>	20-519
Sec. 18	<i>July 1, 2014</i>	20-521
Sec. 19	<i>July 1, 2014</i>	20-522
Sec. 20	<i>July 1, 2014</i>	20-523
Sec. 21	<i>July 1, 2014</i>	20-524
Sec. 22	<i>July 1, 2014</i>	20-525
Sec. 23	<i>July 1, 2014</i>	20-526
Sec. 24	<i>July 1, 2014</i>	20-529(c)
Sec. 25	<i>July 1, 2014</i>	20-529b(b)

Statement of Legislative Commissioners:

Throughout the bill, references to "certified" and "licensed" appraisers were amended for accuracy and statutory consistency, and sections 24 and 25 were added for accuracy and statutory consistency.

GL *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 15 \$	FY 16 \$
Consumer Protection, Dept.	GF - Revenue Gain	25,000	10,000

Municipal Impact: None

Explanation

The bill results in a revenue gain to the state of approximately \$25,000 in FY 15 and \$10,000 in FY 16. The revenue is the result of fees required of schools offering courses in real estate appraisal. There are currently 50 such schools in Connecticut.

In FY 15 the schools would be required to pay a one-time \$100 application fee, a \$200 biennial registration fee and \$100 for each approved course which is paid annually. On average each school offers two approved courses. In FY 16 only the fee for the approved courses would apply.

The Out Years

In FY 17 fees would be paid for approved courses and the biennial \$200 registration fee which combined would total \$20,000. The annualized ongoing fiscal impact identified above would continue into the future subject to the number of applicants and approved courses.

OLR Bill Analysis**sSB 205*****AN ACT MAKING MINOR AND TECHNICAL CHANGES TO REAL ESTATE APPRAISER AND APPRAISAL MANAGEMENT COMPANY DEFINITIONS AND STATUTES.*****SUMMARY:**

This bill makes several changes to the real estate appraiser and appraisal management company law. It:

1. requires real estate appraisal schools to be registered with the Connecticut Real Estate Appraisal Commission and their courses to be approved by the Department of Consumer Protection (DCP) commissioner (see BACKGROUND) (§ 10);
2. requires paying all past due fees, instead of a specific sum, to reinstate an expired appraiser certification or provisional license (§ 9);
3. eliminates the maximum number of times an applicant can take a test for a certification or provisional license within one year of paying the application fee (§ 7);
4. permits the commission to use an exam prepared by the Appraisal Qualification Board of the Appraisal Foundation when testing applicants for a certification or provisional license (§ 8);
5. adds a definition for the license issued to a provisional appraiser (i.e., someone working under the direct supervision of a certified appraiser to gain appraisal experience) (§ 1); and
6. specifies that the annual registry fee certified appraisers must pay to the commissioner is set by the Federal Financial

Institutions Examination Council's appraisal subcommittees, not the commission, as under current regulations (Conn. Agencies Reg. § 20-504-10) (§ 9).

The bill eliminates obsolete references to the limited appraiser and appraiser licenses and makes conforming changes based on their elimination. DCP stopped issuing or renewing these licenses in 2006 and 2003, respectively (§§ 1-9 & 11-25).

The bill also makes other technical and conforming changes.

EFFECTIVE DATE: July 1, 2014

§ 10 — REAL ESTATE APPRAISAL SCHOOLS

Registration

The bill requires schools offering courses in real estate appraisal to be registered by the Connecticut Real Estate Appraisal Commission before offering courses in appraisal prerequisite or continuing education. The application must be made on DCP-prescribed forms with a \$100 application fee.

Under the bill, these registrations expire after two years, but may be renewed. The fee for registering or renewing a registration is \$200.

Existing law allows the commissioner, with advice and assistance from the commission, to adopt regulations on approving real estate appraisal schools, course content, and advertising. Under current regulations, the commission approves these schools (Conn. Agencies Reg. § 20-512-2).

Course Approval

The bill requires the prerequisite and continuing education courses offered by real estate appraisal schools to be approved by the commissioner. The courses are currently approved by the commission (Conn. Agencies Reg. §§ 20-512-3 & 20-512-5).

Under the bill, each course approval must be applied for separately and the application fee for each course is \$100.

§ 9 — REINSTATEMENT FEES

Under the bill, an expired certification or provisional license may generally be reinstated only if the former certificate holder or provisional licensee pays all past due fees, from the expiration date to the date of payment for reinstatement. Existing law requires this to be done within two years after the expiration date.

Under current law, the reinstatement fee is \$225 for a certification and \$50 for a provisional license. The bill retains existing law's exemption for appraisers whose certifications or provisional licenses expire after entering military service and reinstatement is sought within two years after the expiration.

§§ 7 & 8 — APPLICANT TESTING

By law, applicants for an appraiser certification must pass a written test. The commission may also require provisional license applicants to be tested, but it does not currently do so.

The bill removes the maximum number of times an applicant for a certification or provisional license can take the written test for their certification or licensure. Under current law, an applicant can take the test up to four times within one year after paying the application fee.

Existing law requires the written test to be (1) prepared by DCP or a national testing service DCP designates and (2) consistent with Appraisal Qualification Board of the Appraisal Foundation guidelines. Under the bill, the written test may be prepared by the foundation.

BACKGROUND***Connecticut Real Estate Appraisal Commission***

By law, the commission is created within DCP. It has eight members; five are certified appraisers and three are members of the public. Its duties include (1) authorizing DCP to issue certifications and provisional licenses to appraisers and (2) administering the real estate appraiser and appraisal management companies law (CGS §§ 20-502 & 20-503).

COMMITTEE ACTION

General Law Committee

Joint Favorable Substitute

Yea 17 Nay 0 (03/13/2014)